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Defendant JAMES GAMES, INC.

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

JAMES GAMES, INC.,

Plaintiff,

vs.

HASBRO, INC.; etc., et al,

Defendants.

AND RELATED COUNTERCLAIMS.

Case No. SACV 12-0834 DOC
(RNBx)

PLAINTIFF'S TRIAL BRIEF

Courtroom 9D
Complaint filed:
Trial date:

5/23/12
10/15/13

TO THE COURT, ALL PARTIES AND COUNSEL:

Pursuant to L.R. 16-10. Plaintiff submits its Trial Brief:

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12 Statutes:

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I. OVERVIEW

2 US Patent No. 6,361,048 (the '048 Patent) entitled "Game Board
3 Apparatus and Method for Playing Same," was submitted to the USPTO on
4 December 29, 2000, and granted to Plaintiff's assignor/inventor, James Lynn,
5 on March 26, 2002. The '048 Patent protects an invention of a game and its
6 rules. The game teaches strategy and risk in moving pawns across paths
7 with discrete landing spots from start to home where the playing surface can
8 be randomly altered.

9 Games are important in our society. First, they provide a vehicle for
10 interaction between children and adults. And, second, games provide a
11 mechanism for solving complicated tasks, including computer modeling,
12 analyzing economic trends, fault tree analysis, or even war gaming.

13 The '048 Patent teaches that in a lower section, below the board
14 surface is an actuator ("sun") gear which intermeshes with four planetary
15 gears. When instructed to do so based on landing on a particular spot on the
16 board's upper section or surface, the actuator gear is turned clockwise which
17 then rotates the planetary gears counterclockwise. The planetary gears are
18 integrally connected to the playing surface, thereby changing the paths on the
19 surface. The first player to move all pawns from a plurality of starting areas to
20 a corresponding ending area wins the game. There are fixed path and path
21 altering sections. Playing safe may involve selecting a fixed path section,
22 however, this can be a slower and longer route. Chance is also introduced by
23 the use of a random generator, in one embodiment, a six-sided die. The
24 players take turns moving one space or jumping to advance. Also, landing on
25 a particular space can cause the gears to be rotated.

26 Similarly, the *Sorry! Spin* game has a sun gear intermeshed with four
27 planetary gears in a lower section. A decal is affixed to each gear
28 representing the board's upper or playing surface which contains a main track

1 and four home tracks. The goal is for the players to take turns moving pawns
 2 from start to finish across the two tracks. The tracks can be turned, based on
 3 instructions from a random generator, in this case, shuffled cards. Movement
 4 may be by single or multiple space(s) or by jumping to advance. Also, landing
 5 on a particular space can cause the gears to be rotated.

6 In the '048 Patent, there are two independent device claims (1 and 18)
 7 and one independent method/game rules claim (19). The dependent claims
 8 which are also allegedly infringed by the Accused Product, the *Sorry! Spin*
 9 game, instruct on various restrictions, regarding counterclockwise/clockwise
 10 rotation of the gears, marginal location of the starting and finishing areas, a
 11 central holding area, and blocking positions.

12 **II. Legal Analysis**

13 **1. Issue in Dispute:**

14 There is a single disputed term: "fixed path section." In the '048 Patent,
 15 both "fixed path section" and "path altering section" are required. Defendant
 16 admits that it has a "path altering section," but denies that it has a "fixed path
 17 section," because it asserts that all paths can be moved at some point in the
 18 game.

19 Actually, there are two grounds for concluding that the Accused Product
 20 also has the equivalent of a fixed path section. First, *Sorry! Spin* has a main
 21 track located above a sun gear, and four home tracks located above four
 22 planetary gears. These tracks turn only about 10% of the time based on
 23 random card draw or landing on a particular spot on the track -- this means
 24 that the tracks do not turn 90% of the time. Due to the infrequency of turning
 25 the sun gear, the tracks operate as "fixed path sections" during most of the
 26 game. In fact, an entire game can be played without turning the sun gear
 27 even one time. Since a game can be played without any turning, every path
 28 in such a game is fixed, and Defendant's claimed absence of a fixed path

1 section against this remote possibility of turning, is actually an insubstantial
 2 change to the '048 Patent claim element.

3 And, second, when the main track is turned by the sun gear, which also
 4 causes the home tracks above the planetary gears to turn, until a pawn
 5 reaches a particular spot on the track, the pawn cannot change or alter its
 6 position. In other words, the pawn revolves in a circular path which is not
 7 altered until it is allowed to move either to the next track or to home, just like
 8 riding a stationary bicycle or a hamster on a wheel. When the pawn is moving
 9 on a track before altering is permitted, then it is in a "fixed path section." All of
 10 the elements of the '048 Patent are embodied in the *Sorry! Spin* game.

11 Since Defendant was aware of Plaintiff's Patent, before it began
 12 manufacture and marketing of its Accused Product, any changes present in
 13 the Accused Product are in the insubstantial details such as to support liability
 14 for infringement under the doctrine of equivalents.

15 **2. Liability: Doctrine of Equivalents:**

16 The doctrine of equivalents is invoked where an accused product
 17 "performs substantially the same function in substantially the same way to
 18 achieve substantially the same result," *Intel Corporation v. U.S. International
 19 Trade Commission*, 946 F.2d 821, 832 (Fed.Cir. 1991) (DOE invoked to
 20 preclude infringement of circuitry which selectively enabled erasable
 21 programmable read-only memories). The purpose of DOE is to prevent
 22 subversion of patent claims, *Sage Products, Inc. v. Devon Industries, Inc.*,
 23 126 F.3d 1420, 1424 (Fed.Cir. 1997) (patent of disposal container for sharp
 24 medical instruments was not infringed under DOE).

25 The United States Supreme Court has confirmed the continued viability
 26 of DOE to prevent infringers from profiting from the industry of others by
 27 making insubstantial changes in details, *Warner-Jenkinson Company, Inc. v.
 28 Hilton Davis Chemical Co.*, 520 U.S. 17, 117 S.Ct. 1040 (1997). The Highest

1 Court quoted and affirmed its earlier ruling in *Graver Tank & Mfg. Co. v. Linde*
2 *Air Products Co.*, 339 U.S. 605, 608, 70 S.Ct. 854 (1950):

What constitutes equivalency must be

determined against the context of the patent, the prior art, and the particular circumstances of the case.

Equivalence, in the patent law, is not the prisoner of a formula and is not an absolute to be considered in a vacuum. It does not require complete identity for every purpose and in every respect. In determining equivalents, things equal to the same thing may not be equal to each other and, by the same token, things for the most purposes different may sometimes be equivalents.

14 || 520 U.S. at 24.

15 It bears repeating, that even “things for the most purposes different may
16 sometimes be equivalents.” *Id.* This theme was also explained in *Dolly, Inc.*
17 *v. Spalding & Evenflo Companies, Inc.*, 16 F.3d 394, 398 (Fed.Cir. 1994):

The doctrine of equivalents does not require one-to-one correspondence between components of the accused device and the claimed invention. . . . An accused device may infringe under the doctrine of equivalents even though a combination of its components performs a function performed by a single element in the patented invention. . . . The accused device must nevertheless contain *every* limitation or its equivalent.” [Emphasis in original].

27 Equivalency may exist when separate claim limitations are combined
28 into a single component of an accused product. *Sun Studs, Inc. v. ATA*

1 *Equipment Leasing, Inc.*, 872 F.2d 978, 986 (Fed.Cir. 1989)(plaintiff argued
 2 equivalency based on the fact that 90% of the time, the taper rates were the
 3 same), overruled on the grounds that the burden of persuasion on the
 4 affirmative defense of laches was improperly allocated, *A.C. Aukerman Co. v.*
 5 *R.L. Chaides Construction Co.*, 960 F.2d 1020, 1039-40 (Fed.Cir. 1992).

6 An equivalent device may be supplied by a single structure, *Deere &*
 7 *Company v. Bush Hog, LLC*, 703 F.3d 1349, 1356 (Fed.Cir. 2012) (reversing
 8 the trial court's finding that direct contact of rotary cutter was required), and
 9 stating: "The test of the equivalence of a proposed substitute for a missing
 10 element is ordinarily a factual inquiry reserved for the finder of fact." *Id.*

11 Equivalency presents a question of fact. *Radio Steel & Mfg. Co. v. MTD*
 12 *Products, Inc.*, 731 F.2d 840, 847 (Fed.Cir. 1984). The main track and the
 13 home tracks in the *Sorry! Spin* game, can be both fixed path sections and
 14 path altering sections. A single component can contain two elements of the
 15 '048 Patent claims.

16 Each element of the '048 Patent is embodied in the *Sorry! Spin* game.
 17 There is a sun gear intermeshed with four planetary gears in a lower section
 18 which gears are connected to the upper section (the playing surface with the
 19 affixed decals). There is a main track and four home tracks which rotate with
 20 the turning of the sun gear. There are plurality of starting and ending areas,
 21 where players take turns moving a single or multiple space(s) or by jumping to
 22 advance. A random generator is present in the form of a shuffled deck of
 23 cards. Landing on a particular space can cause the gears to be turned. The
 24 only element claimed not to exist in *Sorry! Spin* is a fixed path section. Under
 25 DOE, the same path on the track operates as both fixed and altering -- one
 26 path satisfies two elements. DOE confirms that there can be infringement
 27 where one route contains two elements of the patented claim.

28 The bottom line is that the differences between the *Sorry! Spin* game

1 and the requirements of the '048 Patent are insubstantial. The *Sorry! Spin*
 2 game performs substantially the same function, in substantially the same way,
 3 to achieve substantially the same result as taught in the asserted claims of
 4 the '048 Patent. *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S.
 5 605, 608, 70 S.Ct. 854 (1950). Under the doctrine of equivalents, Defendant
 6 is liable for infringement. The factual question of equivalent structure should
 7 be reserved for the jury.

8 **3. Defenses to Counterclaims:**

9 **(A) Anticipation**

10 James Games' Patent is entitled to presumption of validity, 35 U.S.C.
 11 §282. To overcome its burden, Hasbro must prove by clear and convincing
 12 evidence that the '048 Patent claims are anticipated under 35 U.S.C. §102,
 13 *Microsoft Corp. v. i4i Ltd. Partnership*, 131 S.Ct. 2238, 2242 (2011). Hasbro
 14 must prove that all of the limitations of the claim existed in a single item of
 15 prior art, such as a patent or publication, *Id.*, and *Alco Standard Corp. v.*
 16 *Tennessee Valley Authority*, 808 F.2d 1490, 1496 (Fed.Cir. 1986). It is
 17 insufficient to simply show that a claim was anticipated by combining two or
 18 more items of prior art, *Studiengesellschaft Kohle, m.b.H. v. Dart Industries,*
 19 *Inc.*, 726 F.2d 724, 726-27 (Fed.Cir. 1984).

20 Further, Hasbro concedes that it will not rely on any expert to meet its
 21 heavy burden, [Docket 116, 3:14]. In no single item disclosed to date, has
 22 Hasbro shown anticipation.

23 **(B) Obviousness**

24 To prove obviousness, Hasbro's burden is to demonstrate by clear and
 25 convincing evidence that the claimed invention would have been obvious to a
 26 person of ordinary skill in the field at the time of the invention, *Eli Lilly & Co. v.*
 27 *Teva Pharmaceuticals, USA, Inc.*, 619 F.3d 1329, 1336 (Fed.Cir. 2010).
 28 Hasbro cannot merely show that a patent claim composed of several

1 requirements is obvious by demonstrating that each of its requirements was
 2 independently known in prior art, *KSR International, Co. v. Teleflex, Inc.*, 550
 3 U.S. 398, 418, 127 S.Ct. 1727 (2007).

4 Obviousness depends on: (1) the level of ordinary skill in the field of the
 5 invention; (2) the scope and content of the prior art; (3) the differences
 6 between the claimed invention and the prior art; and (4) secondary
 7 considerations of nonobviousness. *Western Union Co. v. MoneyGram
 8 Payment Systems, Inc.*, 626 F.3d 1361, 1369 (Fed.Cir. 2010).

9 Secondary considerations of nonobviousness include, but are not
 10 limited to: (1) commercial success of a product due to the merits of the
 11 claimed invention; (2) long-felt, but unresolved, need for the solution provided
 12 by the claimed invention; (3) un-successful attempts by others to find the
 13 solution provided by the claimed invention; (4) copying of the claimed
 14 invention by others; (5) unexpected and superior results from the claimed
 15 invention; and, (6) acceptance by others of the claimed invention as shown by
 16 praise from others in the field of the invention. *Brown & Williamson Tobacco
 17 Corp. v. Philip Morris, Inc.*, 229 F.3d 1120, 1129 (Fed.Cir. 2000).

18 Once again, Hasbro concedes that it will not rely on any expert to meet
 19 its heavy burden, [Docket 116, 3:14]. Hasbro has not produced any
 20 combination of prior art along with the motivation to combine the prior art to
 21 demonstrate that each requirement of the '048 Patent was published or
 22 practiced.

23 To demonstrate nonobviousness, Plaintiff anticipates introducing
 24 documents showing the effort involved in reducing the '048 Patent to practice,
 25 marketing of its game, and photographs and video demonstration of game
 26 play of *Springali®*.

27 **4. Opposition to Striking Testimony of Michael S. Doll:**

28 Mr. Doll is a former aerospace engineer, who became a registered

1 patent attorney. He prosecuted the '048 Patent. His supplemental
 2 declaration regarding all of his qualifications is attached. The areas in which
 3 he is expected to give testimony and the authority for presenting such
 4 testimony, include:

5 (a) The development of the application which became the '048 Patent
 6 and prosecution of the application by the procedures at the USPTO, *McGinley*
 7 *v. Franklin Sports, Inc.*, 262 F.3d 1339, 1352 (Fed.Cir. 2008) (baseball
 8 teaching guide where patent prosecutor gave extensive testimony at the trial
 9 court), and *Alloc, Inc. v. Perfo, LLC*, 2010 WL 3808977 (E.D. Wis.);

10 (b) The consideration of prior art at the USPTO as listed on the face of
 11 the '048 Patent, *McGinley, supra*, 262 F.3d at 1352 (patent prosecutor
 12 testified about two cited prior art patents); and,

13 (c) Infringement under DOE, a doctrine with which Mr. Doll is very
 14 familiar and which he applied to the facts and data here based on his study of
 15 the *Sorry! Spin* game, *Daubert v. Merrell Dow Pharmaceuticals, Inc.*, 509 U.S.
 16 579, 589, 113 S.Ct. 2786 (1993). Mr. Doll set up the Accused Product,
 17 played the game and can certainly explain its rules.

18 An expert may testify as to the ultimate issue, *FRE 704(a)*. Mr. Doll has
 19 the education, training and experience necessary to aid the trier of fact in
 20 understanding the evidence, he bases his opinions on sufficient facts and
 21 reliable principles and has applied the principles to the facts of this case.

22 **5. Damages:**

23 There is no real dispute over damages. Plaintiff is entitled to royalties,
 24 based on sales of the Accused Product during 2010 through 2012. See 35
 25 U.S.C. §284, and *Georgia-Pacific Corp. V. U.S. Plywood Corp.*, 318 F.Supp.
 26 1116 (S.D.N.Y. 1970) aff'd, 446 F.2d 295 (2d Cir. 1971), cert. denied, 404
 27 U.S. 870, 92 S.Ct. 105 (1971). Defendant is no longer offering its Accused
 28 Product for sale.

1 Defendant has conceded a reasonable royalty is 5% of net sales, in the
2 testimony of its person designated most knowledgeable under *FRCP 30(b)(6)*,
3 Michael Gray, and based on collateral estoppel, see *Bowling v. Hasbro, Inc.*,
4 582 F.Supp.2d 192, 206 (D.R.I. 2008). There is a stipulation to net sales of
5 \$4,878,000.00. Therefore, reasonable royalty on the lump sum is
6 \$243,900.00. Interest can be the subject of expert opinion.

6. Abandoned Matter:

Plaintiff hereby abandons Claim 1 for Literal Infringement, and any claim of willfulness.

III. CONCLUDING REMARKS

11 The only factual issue for determination by the jury is whether the main
12 track and the home tracks in the *Sorry! Spin* game operate as both fixed path
13 and path altering sections, such that this would be an insubstantial difference
14 for purposes of the doctrine of equivalents. Anticipation and obviousness
15 present questions of fact, but there will be no expert presentation on the part
16 of Hasbro.

17 Plaintiff expects to rely on the testimony of Michael Doll, Stephen
18 Zamucen, CPA (or if he is unavailable due to his family medical emergency),
19 then Will Hanson, CPA, James Lynn and the deposition testimony of
20 Defendant's representative under *FRCP 30(b)(6)*, by Michael Gray. The key
21 evidence comprises: the '048 Patent, the *Sorry! Spin* game, and if willfulness
22 is reserved for the jury, then documents related to Defendant's knowledge of
23 Plaintiff's patent before it went into production.

Respectfully submitted,

DAVID R. FLYER, A PROFESSIONAL
LAW CORPORATION
/s/

Dated: October 7, 2013

BVi

David R. Flyer
Raquel Flyer
Attorneys for Plaintiff/Counterclaim
Defendant JAMES GAMES, INC.

1 PROOF OF SERVICE

2 I hereby certify that on October 8, 2013, I caused the foregoing
3 document to be served via electronic mail to the addressee(s) shown below.

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6 FEDERAL: I declare, under penalty of perjury under the laws of the
7 United States of America that the foregoing is true and that I am employed in
8 the office of a member of the Bar of this Court at whose direction the service
was made.

9 Executed on October 8, 2013, at Newport Beach, California.

10 
11 Willa Phillips

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